

**PLEASANT HILL-CROSSROADS
WATER SYSTEM, INC.**

FINANCIAL REPORT
DECEMBER 31, 2014

SHANNA JONES, CPA
WINNFIELD, LOUISIANA

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
JOYCE, LOUISIANA

FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

TABLE OF CONTENTS

	Page
INDEPENDENT ACCOUNTANT’S REVIEW REPORT	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Function Expenses	4
Statement of Cash Flows	5
NOTES TO FINANCIAL STATEMENTS	7
OTHER REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Compensation	14
SUPPLEMENTARY INFORMATION:	
Independent Accountant’s Report on Applying Agreed-Upon Procedures	16
Louisiana Attestation Questionnaire	19

Shanna Jones, CPA

*795 Big Creek Rd
Winnfield, LA 71483
792-8544*

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Pleasant Hill-Crossroads Water System, Inc.

I have reviewed the accompanying statement of financial position of the Pleasant Hill-Crossroads Water System, Inc. (a Non-Profit Corporation), as of December 31, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Water System's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management of the Pleasant Hill-Crossroads Water System, Inc. is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Act 706 of the Louisiana 2014 Legislative Session requires a Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head or Chief Executive Officer supplement the financial statements. I have applied certain limited procedures to the required supplementary information presented on page 14, in accordance with accounting principles generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the financial statements, and other knowledge I obtained during my review of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report dated May 4, 2015, on the results of our agreed-upon procedures on pages 16 through 18. Pages 19 through 20 present the Louisiana Attestation Questionnaire.

Shanna Jones

Shanna Jones, CPA
Winnfield, Louisiana
May 4, 2015

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
JOYCE, LA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

ASSETS:

Current Assets:

Cash & Cash Equivalents	\$ 23,116
Cash—Grant	39,407
Cash—Customer Deposits, Membership	13,112
Investments	63,667
Accounts Receivable	6,355
Interest Receivable	78
Prepaid Expense	<u>5,516</u>

Total Current Assets	151,251
----------------------	---------

Non-Current Assets:

Capital Assets (Net)	<u>722,763</u>
----------------------	----------------

Total Assets	<u>\$ 874,014</u>
--------------	-------------------

LIABILITIES:

Current Liabilities:

Accounts Payable	\$ 2,036
Current Portion of Long Term Debt	7,710
Customer Deposits	<u>13,112</u>

Total Current Assets	22,858
----------------------	--------

Non-Current Liabilities:

Long Term Debt	<u>300,513</u>
----------------	----------------

Total Liabilities	<u>323,371</u>
-------------------	----------------

NET ASSETS:

Unrestricted	493,236
Temporarily Restricted	39,407
Permanently Restricted	<u>18,000</u>

Total Net Assets	<u>550,643</u>
------------------	----------------

Total Liabilities and Net Assets	<u>\$ 874,014</u>
----------------------------------	-------------------

See accompanying notes and independent accountant's review report.

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
JOYCE, LA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES:				
Water Sales	\$ 59,952			\$ 59,952
Other Related Fees	10,222			10,222
Miscellaneous	15,669			15,669
Interest Earned	237			237
Grant Revenue—State	<u> </u>	<u>\$ 137,200</u>	<u> </u>	<u>137,200</u>
Total Revenues	86,080	137,200	0	223,280
EXPENSES:				
Program:				
Program Services	91,183			91,183
Supporting:				
Management & General	<u>21,704</u>	<u> </u>	<u> </u>	<u>21,704</u>
Total Expenses	<u>112,887</u>	<u>0</u>	<u>0</u>	<u>112,887</u>
Net Assets Released from Restrictions:				
Grant funds used for fixed assets	<u>136,250</u>	<u>(136,250)</u>	<u>0</u>	<u>0</u>
Change in Net Position	109,443	950	0	110,393
Net Position January 1, 2014	<u>383,793</u>	<u>38,457</u>	<u>18,000</u>	<u>440,250</u>
Net Position December 31, 2014	<u>\$ 493,236</u>	<u>\$ 39,407</u>	<u>\$ 18,000</u>	<u>\$ 550,643</u>

See accompanying notes and independent accountant's review report.

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
JOYCE, LA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Program Services	Support Services	
	<u>Water</u>	Management & General	<u>Total</u>
Advertising		\$ 538	\$ 538
Accounting		6,600	6,600
Contract Labor	\$ 13,341		13,341
Depreciation	32,623		32,623
Dues & Subscriptions		325	325
Insurance		4,553	4,553
Interest Expense	10,464		10,464
Miscellaneous		81	81
Office Supplies		1,772	1,772
Postage		1,508	1,508
Rent		100	100
Repairs & Maintenance	18,889		18,889
Seminars		685	685
System Supplies	7,292		7,292
Taxes & Licenses	1,302		1,302
Telephone & Internet		3,525	3,525
Travel		2,017	2,017
Utilities	<u>7,272</u>		<u>7,272</u>
Total Expenses	<u>\$ 91,183</u>	<u>\$ 21,704</u>	<u>\$ 112,887</u>

See accompanying notes and independent accountant's review report.

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
JOYCE, LA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

Cash Flows from Operating Activities:

Change in Net Assets	\$ 110,393
Adjustments to Reconcile Changes in Net Assets to	
Net Cash Provided by/(Used In) Operating Activities:	
Depreciation	32,623
Grant Income	(137,200)
Changes in Assets & Liabilities:	
(Increase)/Decrease in Accounts Receivable, Net	(1,829)
(Increase)/Decrease in Prepaid Expense	(354)
Increase/(Decrease) in Accounts Payable	218
Increase/(Decrease) in Customer Deposits	<u>1,000</u>
Net Cash Provided by/(Used In) Operating Activities	<u>4,851</u>

Cash Flows from Investing Activities:

Interest Earned on Operating Accounts	(237)
(Increase)/Decrease in Construction in Progress	<u>(136,250)</u>
Net Cash Provided by/(Used In) Investing Activities	<u>(136,487)</u>

Cash Flows from Financing Activities:

Notes Payable on Principal Payments	(7,236)
Grant Income	<u>137,200</u>
Net Cash Provided By/(Used In) Financing Activities	<u>129,964</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,672)
Cash & Cash Equivalents—Beginning of Year	<u>77,307</u>
Cash & Cash Equivalents—End of Year	<u>\$ 75,635</u>

See accompanying notes and independent accountant's review report.

NOTES TO FINANCIAL STATEMENTS

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1—INTRODUCTION

The Pleasant Hill-Crossroads Water System, Inc. was formed as a non-profit corporation on a non-stock basis under the provisions of Title 12, Sections 201-209, of the Louisiana Revised Statutes on January 1, 1988. The Corporation was formed for the mutual benefit of its members to construct, maintain, and operate a private water system providing a supply of water to its membership. Persons who are owners or part owners, or have a substantial possessory interest in property desired to be served by the corporation's water system shall be admitted as members. The voting power and property rights and interest of each member whose fees are fully paid and who is in good standing shall be equal and each member shall be entitled to one (1) vote only regardless of the number of membership certificates held.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Pleasant Hill-Crossroads Water System, Inc. conform to generally accepted accounting principles as applicable to nonprofit organizations. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

Basis of Presentation

The Pleasant Hill-Crossroads Water System, Inc. has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Pleasant Hill-Crossroads Water System, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Pleasant Hill- Crossroads Water System, Inc. is required to present a statement of cash flows.

Measurement Focus and Basis of Accounting

The Pleasant Hill-Crossroads Water System, Inc. uses the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Assets Liabilities and Equity

Cash and Cash Equivalents—The District's cash and cash equivalents are considered to be cash in demand deposits, interest bearing deposits and time deposits of less than 90 days.

Investments—Investments are stated at cost. Interest bearing deposits and time deposits of more than 90 days are considered investments.

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Equity Classifications— Under SFAS No. 117, equity is classified as net assets and displayed in three components as applicable. The components are as follows:

Temporarily Restricted Net Assets — Net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation. These constraints can expire with the passage of time or actions by the entity.

Permanently Restricted Net Assets—Net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation. These constraints neither expire with the passage of time nor fulfilled by actions of the entity; asset must be retained in perpetuity.

Unrestricted Net Assets—All other net assets that do not meet the definition of “restricted”, including board designated assets.

At December 31, 2014 the Water System had Temporarily Restricted Net Assets of \$39,407 related to grant money that must be used for system improvements. The Water System had \$18,000 in Permanently Restricted Net Assets that was required to be reserved related to the USDA loan and the remaining amount of \$493,236 in Unrestricted Net Assets.

Capital Assets—The Pleasant Hill-Crossroads Water System, Inc. has depreciable fixed assets that are depreciated over the estimated useful life of the related asset. Depreciation is computed on the straight line basis. The assets estimated useful lives are as follows:

Furniture, computers, office equipment	5-15 years
Water Wells	25-40 years
Water Distribution System	40 years

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized. When plant and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation are relieved, and any gain or loss is included in activities.

Leases—There were no leases in effect during the year ended December 31, 2014.

Compensated Absences—There are no full-time employees, therefore no entry is made to record compensated absences.

Budget

The Pleasant Hill-Crossroads Water System, Inc. is not required to adopt a budget. Accordingly, no budget comparisons have been presented.

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Pleasant Hill-Crossroads Water System, Inc. is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes has been made in the accompanying financial statements.

NOTE 3—CASH AND CASH EQUIVALENTS

Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana Law and national banks having their principal offices in Louisiana.

At December 31, 2014, the carrying amount of the Pleasant Hill Crossroads Water System Inc.'s cash and cash equivalents totaled \$75,635. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent banks. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agents. These securities are held in the name of the pledging fiscal agent banks in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2014, the District bank balance totaled \$75,783; the Water System was fully insured by FDIC at fiscal year-end.

NOTE 4— INVESTMENTS

At the same financial institution, the District had time deposits with maturities of greater than 90 days. At December 31, 2014 the bank balances of those certificates totaled \$63,667. As the combined total of Investments and Cash did not exceed the \$250,000 FDIC insurance limit, the Water System was fully secured.

NOTE 5—ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2014, consisted of \$6,355 due from water customers. The Water System services approximately 260 residential and commercial customers. All receivables are considered to be collectible and therefore no allowance for doubtful accounts is recorded.

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 6—INTEREST RECEIVABLE

Interest receivable at December 31, 2014, consisted of \$78 due from certificates of deposit with maturities within 60 days of year end.

NOTE 7—PREPAID EXPENSES

Prepaid expenses at December 31, 2014 totaled \$5,516 which consisted of \$4,777 prepaid insurance, \$642 prepaid permits and licenses, and \$97 rent.

NOTE 8—CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2014 are as follows:

	<u>Balance</u> <u>01/01/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/14</u>
Capital Assets:				
NonDepreciable				
Land	\$ 2,000	\$ -	\$ -	\$ 2,000
Construction in Progress	-	136,250	-	136,250
Depreciable				
Equipment & Furniture	5,641	-	-	5,641
Water Wells	440,341	-	-	440,341
Water Distribution System	<u>614,161</u>	<u>-</u>	<u>-</u>	<u>614,161</u>
Subtotal of Assets	1,062,143	136,250	-	1,198,393
Less: Accumulated Depreciation				
Equipment & Furniture	1,384	376	-	1,760
Water Wells	69,288	16,893	-	86,181
Water Distribution System	<u>372,335</u>	<u>15,354</u>	<u>-</u>	<u>387,689</u>
Subtotal of Accum. Depreciation	443,007	32,623	-	475,630
Net Capital Assets	<u>\$ 619,136</u>			<u>\$ 722,763</u>

Depreciation expense for the year ended December 31, 2014 totaled \$32,623.

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 9—NOTES PAYABLE

The Pleasant Hill-Crossroads Water System, Inc. had the following notes payable:

<u>Lender</u>	<u>Original Amount</u>	<u>Balance Due 12/31/14</u>	<u>Interest Rate</u>
USDA	\$ 252,500	\$ 160,199	6.375%
State of Louisiana	75,049	75,049	0%
State of Louisiana	72,975	72,975	0%

The USDA note payable is a 40 year term note secured by water system assets. The note matures in December of 2028.

The following is a schedule of maturing principle and interest of the USDA note for the coming five years.

2015	\$ 17,700
2016	17,700
2017	17,700
2018	17,700
2019	17,700

The State of Louisiana notes payable are for line relocations that were billed to the Water System for the work done by the state in prior years. The Water System is in discussion with the State of Louisiana on these notes.

NOTE 10—GRANTS

The Pleasant Hill-Crossroads Water System, Inc. received \$137,200 in grants from the State of Louisiana in the current Fiscal year for system improvements.

NOTE 11—CONTRIBUTIONS

The Pleasant Hill-Crossroads Water System, Inc. has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made". Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor imposed restrictions. The water system has not received any contributions with donor-imposed restrictions.

NOTE 12—DONATED SERVICES, MATERIALS, AND FACILITIES

The Pleasant Hill-Crossroads Water System, Inc. received no donated services or materials in the operation of the system in the current fiscal year. The water system does not use any donated facilities.

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 13—MISCELLANEOUS INCOME

During December 31, 2014, the Pleasant Hill-Crossroads Water System, Inc. received miscellaneous income of \$15,669 in insurance proceeds to reimburse costs of \$16,669 for a pump in a well that was replaced due to lightning damage. The related expense was included in repairs and maintenance as the pump was not expected to extend the useful life of the related asset beyond its original useful life.

NOTE 14—LITIGATION

The Pleasant Hill-Crossroads Water System, Inc. was not involved in any litigation at December 31, 2014.

NOTE 15—OTHER DISCLOSURES

Management has evaluated events through May 4, 2015, the date which the financial statements were available for issue. There were no items noted to be reported as subsequent events.

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
SCHEDULE OF COMPENSATION
FOR THE YEAR ENDED DECEMBER 31, 2014

In accordance with Act 706 of the 2014 Legislative Session, payments to Agency Head or Chief Executive Officer must be disclosed. Included in the Disclosure Requirements are any reimbursements of travel or per diem, payments of salary, or payments to retirement or health insurance, providing of a vehicle, etc. for the Agency Head.

The Agency Head of the Pleasant Hill-Crossroads Water System, Inc. would be its Board Members: Willie Doherty—President, Lane Capps—Vice President, Lanell Jordan—Secretary. In any case where an entity has contracted for management by a separate entity, the contracted CEO is subject to Act 706. For the Water System that would include its operator: Kenneth Peavy and its accountant: Kathy Dauzat. During the review of Pleasant Hill-Crossroads Water System, Inc. fiscal year ended December 31, 2014 the following payments were noted as required disclosures.

Payee:	Doherty	Capps	Jordan	Dauzat	Peavy
Contract Labor	\$ 3,587	\$ -	\$ 165	\$ 6,815	\$ 3,164
Mileage	1,260	-	26	91	593
Phone & Internet	-	-	-	830	-
Unvouchered Expense	50	-	-	2	-
Seminars	-	-	-	-	685

See independent accountant's review report.

SUPPLEMENTARY INFORMATION

Shanna Jones, CPA

795 Big Creek Rd
Winnfield, LA 71483
792-8544

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Pleasant Hill-Crossroads Water System, Inc.

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Pleasant Hill-Crossroads Water System, Inc., and the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about the Pleasant Hill-Crossroads Water System, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2014, included in the Louisiana Attestation Questionnaire. Management of Pleasant Hill-Crossroads Water System, Inc. is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Pleasant Hill-Crossroads Water System, Inc. state award expenditures for all state programs for the fiscal year follow:

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
Louisiana FP&C No. 50-NHS-06B-02	2014		\$ 136,250
Total Expenditures			\$ 136,250

(Continued)

2. For each federal, state, and local award, randomly select six disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

Six disbursements were randomly selected from payments made with grant funding.

3. For the items selected in Procedure 2, trace the six disbursements to supporting documentation as to proper amount and payee.

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in Procedure 2, determine if the six disbursements are properly coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger account.

5. For the items selected in Procedure 2, determine whether the six disbursements received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the accountant and the president of the board.

6. For the items selected in Procedure 2: For state and local awards, determine whether the disbursements comply with the grant agreement, relating to:

Activities allowed or unallowed:

I reviewed the previously listed disbursements for types of services allowed or not allowed. All disbursements selected meet the goals of the grant.

Eligibility

I reviewed the previously listed disbursements for eligibility requirements. All disbursements selected met the eligibility requirements of the grant.

Reporting

I reviewed the previously listed disbursements for reporting requirements. All selected disbursements were traced to the requests for disbursements and to the payment advice to bank.

7. For the programs selected for testing in Procedure 2 that had been closed out during the period under review, compare the close-out report, when required, with the agency's financial records to determine whether the amounts agree.

The six disbursements selected included one state program that was not closed out during the period of my review. I noted an email from the Pleasant Hill-Crossroads Water System, Inc.'s consulting company informing the Water System to retain a portion until the punch list was completed. Also was informed that the related line extension needs additional funds to complete the capital outlay; therefore the asset remains in construction in progress.

(Continued)

Open Meetings

8. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law).

Pleasant Hill-Crossroads Water System, Inc. is only required to post a notice of each meeting and the accompanying agenda on the door of the Pleasant Hill-Crossroads Water System, Inc.'s office building. Per accountant, the Board posted a notice on the door of the office stating the time and date of the monthly meeting.

Budget

9. For all grants exceeding five thousand dollars, determine that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Pleasant Hill-Crossroads Water System, Inc. provided a budget to the applicable state grantor agency for the grant received. This budget specified the anticipated use of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. Review any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were no prior year suggestions, recommendations, or comments.

I was not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Pleasant Hill-Crossroads Water System, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Shanna Jones

Shanna Jones, CPA
Winnfield, Louisiana
May 4, 2015

Concluded

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

Shanna Jones, CPA
795 Big Creek Rd
Winnfield, LA 71483

In connection with your review of our financial statements as of December 31, 2014, and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 2/18/15
(date of completion/ representation).

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes ☒ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes ☒ No ☐

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law).

Yes ☒ No ☐

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Yes ☒ No ☐

(Continued)

PLEASANT HILL-CROSSROADS WATER SYSTEM, INC.
LOUISIANA ATTESTATION QUESTIONNAIRE (continued)

Reporting

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief financial officer.

Yes [☒] No [☐]

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [☒] No [☐]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Shillie Doherty President 2/18/15 Date

Concluded